

Solved! The Mystery of the Missing Mid-Session Review



Was it Worth the Wait?

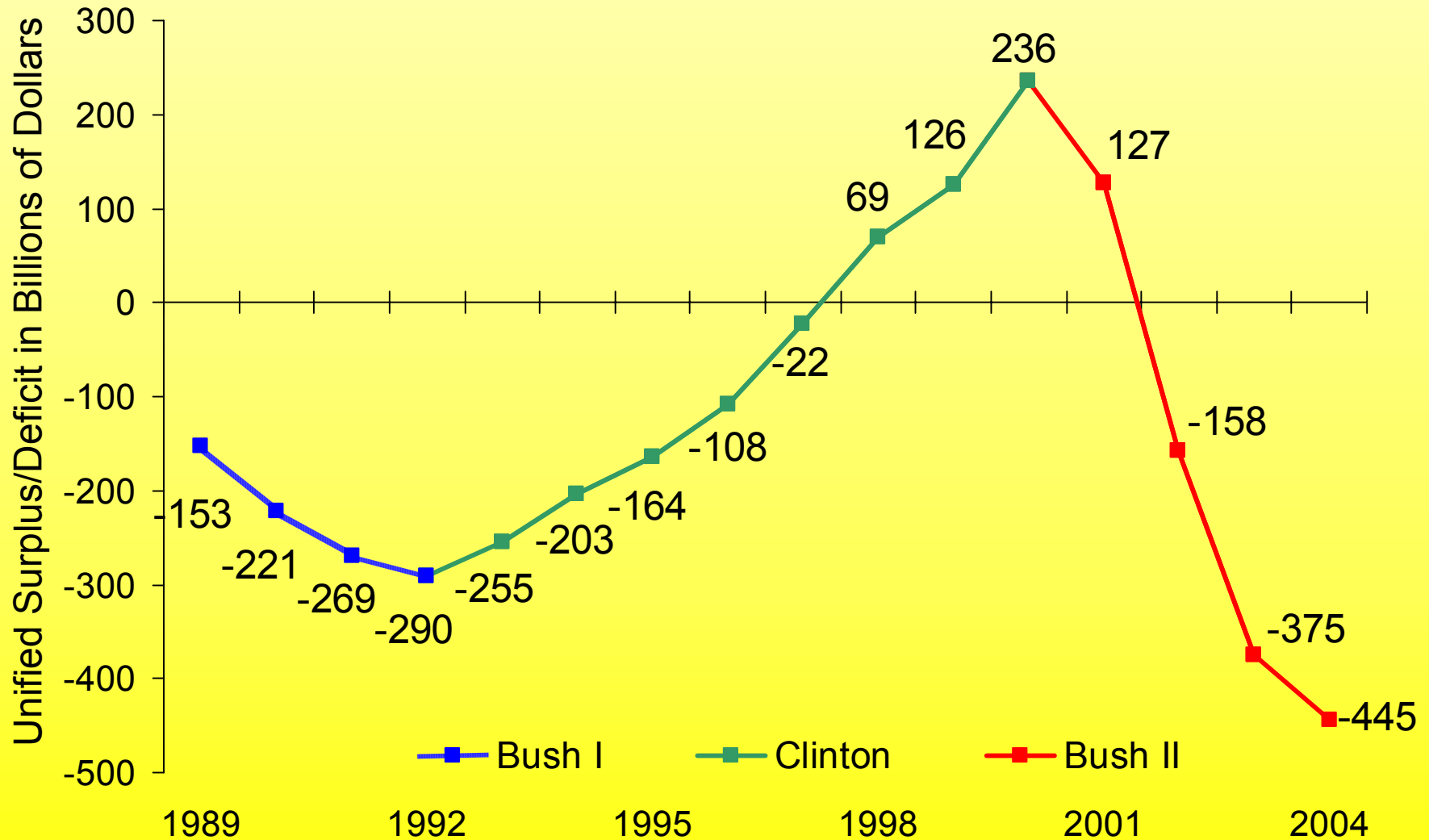
July 30, 2004

Republican Budget To Do List

- ☒ Set a new deficit record
- ☐ Deliver Mid-Session Review on time
- ☐ Pass a budget resolution conference report
- ☐ Pass a debt ceiling increase
- ☐ Pass effective PAYGO extension, spending caps
- ☐ Pass appropriations conference reports on time

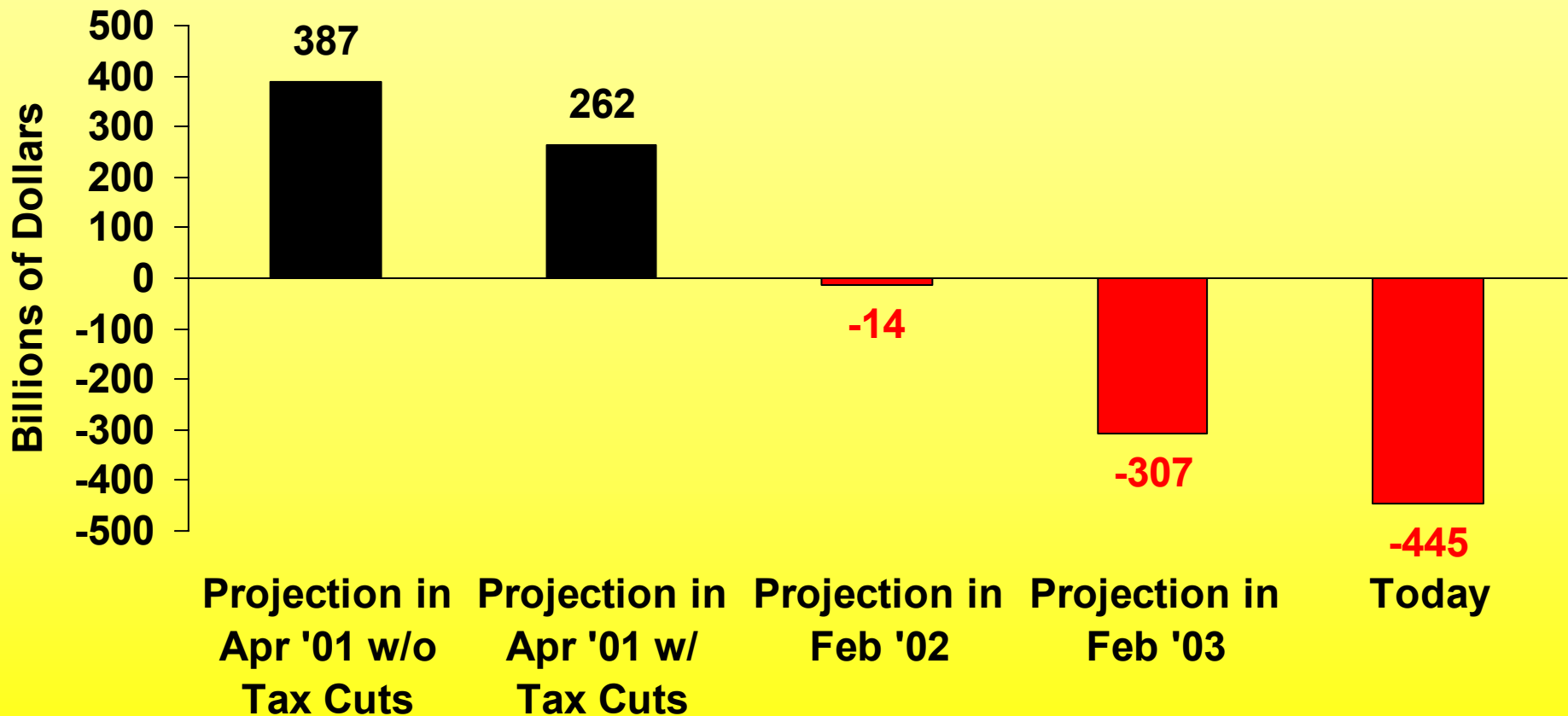
Backsliding Into the Deficit Ditch

From Deficit to Surplus to Deficit Again

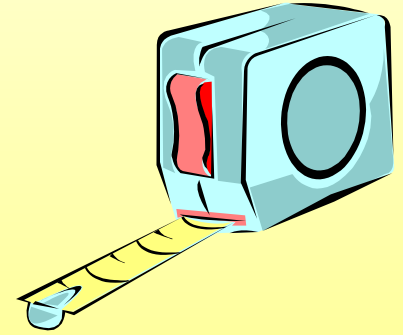


With New OMB Estimates, 2004 Budget Gets Worse

Surplus or Deficit Estimates for Fiscal Year 2004



2004 Deficit: **\$445 Billion**



- **The largest deficit in American history**
- \$70 billion worse than last year's \$375 billion
- \$707 billion worse than the Administration projected in 2001 with the tax cuts, and \$832 billion without
- \$600 billion if the Social Security surplus is not counted
- 3.8% of the GDP, or 5.2% not counting the Social Security surplus
- \$58 billion greater than all non-homeland security domestic discretionary spending
- \$11 billion greater than all defense spending
- 54% as large as all individual income taxes
- 91% as large as all Social Security benefits
- 66% more than all Medicare spending

OMB Estimates Don't Tell the Whole Story About the Deficit



OMB's estimates omit:

- Exploding tax cuts after 2010;
- Needed middle-income AMT relief;
- Realistic costs of military operations in Iraq and Afghanistan; and
- Resulting debt-service costs.